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JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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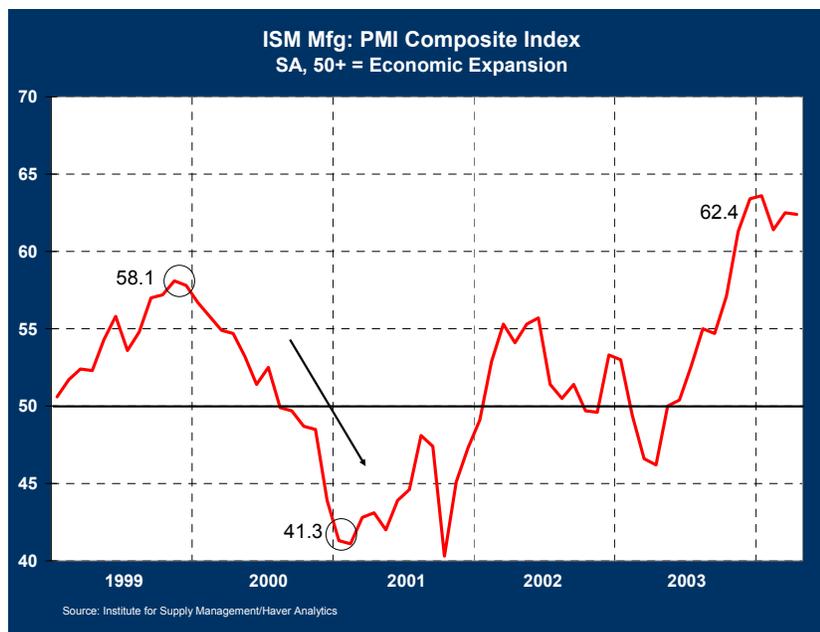
MANUFACTURING ACTIVITY AND CONSTRUCTION REMAIN STRONG

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Contact: Christopher Frenze
Chief Economist to the V.C.
(202) 225-3923
Stephen Thompson
Radio & T.V.
(202) 225-4765

WASHINGTON, D.C. – Newly released data on manufacturing activity show that economic strength continued into the second quarter of 2004, Vice Chairman Jim Saxton said today. The respected Institute for Supply Management (ISM) index of manufacturing activity was 62.4 percent in April. Index levels in excess of 50 percent reflect expansion of manufacturing activity. In addition, new March construction data posted an all-time high.

“The economic figures released today add to the abundant evidence of vigorous economic growth,” Saxton said. “Although manufacturing activity slipped by one tenth of a percentage point in April, it remains very healthy. The surge in investment over the last three quarters has helped consolidate the rebound in manufacturing. Much of this investment consists of capital goods produced in the manufacturing sector. The new construction figures also reflect positive economic conditions.

“In recent quarters the economic expansion has been balanced and strong. According to the forecast of the Blue Chip Consensus, the U.S. economy is expected to grow at a rate of nearly about 5 percent this year,” Saxton concluded.



For more information on current economic conditions, please visit our website at www.house.gov/jec.

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